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DEPARTMENT- OF STATE
Assistant Secretary

CONFIDENTIAL



May 22, 1963

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To

The Acting Secretary

Through: S/SPK

: ARA - Early II. Martin

Subject: Settlement of the Chamical dispute with Mexico

Discussion:

Ambassador Mann, with the assistance of Commissioner Friedkin on the International Ecundary and Water Commission, the Letal Advisor's Office, and this Eureau, has succeeded in negotiating with the Mexican Revenuent a proposed settlement of the Chamizal dispute. The problem of sovereignty over the Chamizal zone in El Paso, Texas, originated in 1864, and has constituted a major problem in relations with Mexico since the United States in 1911 rejected an international arbitral commission's decision awarding a large part of the Chamizal zone to Mexico.

Every Administration beginning with that of President Taft has attempted to resolve the controversy in a mutually satisfactory manner. Proposals have differed wisely and naturally have become increasingly costly. The present settlement, in accordance with the instructions of the two Presidents issued when President Kennedy visited Mexico in June 1962, is intended to give effect to the 1911 award as nearly as practical in today's circumstances, but not to prejudice the juridical position of either Government with respect to the award.

The attached memorandum to the President (Tab A) describes the nature of the recommended settlement. The memorandum lists the Hembers of Congress who have been consulted, and suggests that the President may want to consult with them and possibly others.

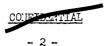
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The terms of settlement are presented to the President in a Memorandum in the form of recommendations by the two Foreign Offices (Tab B), on the substance and language of which agreement has been essentially reached after months of tedious discussion. If the President approves the terms and procedure for agreement, the Embassy at Mexico City would agree with the Mexican Foreign Office, through an exchange of notes (Tab C), on the terms of the proposed settlement and on simultaneous release of statements by President Kennedy and by President Iópez Mateos (Tabs D and E) accepting the solution proposed in the Memorandum. In the exchange of notes the Embassy would affirm that in the event of a failure of the settlemen', this Government's position would remain as it was before the negotiations.

The Department is also requesting in the memorandum to the President authorization to proceed at once with the conclusion of a convention, which would incorporate the terms of settlement already agreed upon in the Remorandum.

The Mexican Government is particularly sensitive about the proposed arrangement whoreby Mexico would reimburse the United States for the structures passing intact to Mexico in the Chamizal tract by a relocation of the boundary. By a separate exchange of notes a procedure would be agreed upon, for incorporation in an annex to the convention, for a lump sum payment to be made by a Mexican bank based on the value of the structures to Mexico (Tab F).

Since relocation of the boundary will not take place at least for two years, the Herican Government would like a symbolic ceremony in the area shortly after ratification of the convention by both Governments. The Department would agree to a preliminary marking of the new boundary for that ceremony.

It is proposed that the Department issue a press release at the time the Precidential statements are released. This release (Tab G) would emphasize that the proposed settlement is a further step in the resolution of the controversy that has been earnestly sought by every Administration since 1910. The final step would be, of course, the conclusion and ratification of a convention.

Because of the imminence of a Presidential electoral campaign in Mexico the completion of these steps is most urgent. It is hoped that the Presidential statements can be released not later than May 24.



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If the President approves, the Department will immediately authorize Ambassador Mann to agree on a public release on or about that date. Ambassador Mann will also be authorized to initiate negotiation of a convention.

Recommendations:

- That you approve the memorandum to the President;
- That, subject to the approval of the terms and procedure by the President, you authorize me to instruct Ambassador Mann to inform the Mexican Government that the Department approves the Memorandum containing the terms of the recommended settlement, and to arrange with the Mexican Government for its public release;

Approve Just Disapprove _

3. That you authorize me, in consultation with the Legal Adviser's Office, to approve any last-minute minor revisions in these documents that may seem desirable; and

> Approve Disapprove

That you authorize me in accordance with the Department Circular 175 to instruct Ambassador Mann to proceed with negotiation of the convention.

Disapprove __

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Attachments:

- Memorandum to the President (Tab A). Foreign Offices' Memorandum (Tab B).
- Embassy note (Tab C). 3.
- Presidents release statements (Tabs D and E). Notes and letters (re payment to Mexican bank)
- 5.
- Press release (Tab G).

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